



GALUSHA
HIGGINS
& GALUSHA^{PC}
EST. 1919

A PROFESSIONAL CORPORATION OF
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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August 12, 2013

By Electronic Mail

For the State of Montana

William B. Kirley
Department of Environmental Quality
1100 N. Last Chance Gulch
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Helena, Montana 59620-0901

Robert G. Collins/Mary Capdeville
Montana Department of Justice
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For the United States

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Environment & Natural Resources Div.
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Robert Kirkpatrick
Regional Environmental Engineer
Northern Region
USDA Forest Service
Federal Building
P.O. Box 7669
Missoula, MT 59807

Dear Ladies and Gentlemen:

As accountants to the Montana Environmental Trust Group, LLC, Trustee for the Montana Environmental Custodial Trust (the Custodial Trust), Galusha, Higgins & Galusha, PC hereby submits the attached financial statements for the following Custodial Trust Accounts to the beneficiaries of the Custodial Trust:

- (1) The Custodial Trust Administrative Account;
- (2) The East Helena Cleanup Account;
- (3) The Mike Horse/Upper Blackfoot Mining Complex Cleanup Account; and
- (4) The Black Pine Cleanup Account

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August 12, 2013
Beneficiary Letter

The attached financial statements cover the quarter and period ending June 30, 2013 and are submitted pursuant to the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

Please do not hesitate to contact me or Cindy Brooks with any questions pertaining to the attached.

Sincerely,

A handwritten signature in blue ink that reads "Jim Roberts, CPA". The signature is written in a cursive style.

Galusha Higgins & Galusha

Attachments

cc: Cynthia Brooks—METG
Betsy Burns—EPA-8
Jennifer Roberts—Galusha
Joe Vranka—EPA-8
Marc Weinreich—METG
Jim Ford – METG
Mark Blessinger - Galusha
Nathan McCarthy - Galusha

Accountants Compilation Report

To the Trustees and Beneficiaries
Montana Environmental Trust Group, LLC Trustee for the
Montana Environmental Custodial Trust
Helena, MT

We have compiled the accompanying statement of financial position of; the Custodial Trust Administrative Account, the East Helena Cleanup Account, the Mike Horse/Upper Blackfoot Mining Complex Cleanup Account and the Black Pine Cleanup Account as of June 30, 2013, and the related statement of activities for the quarter and period then ended included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites).

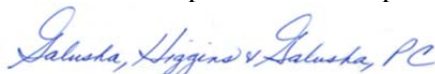
The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the form prescribed by the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites) and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the trustees in presenting financial information in the form of financial statements as prescribed by the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites) without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

These financial statements are presented in accordance with the requirements of the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites), which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The form prescribed by the Custodial Trust's obligations under ¶6.1 of the Environmental Custodial Trust Agreement (Attachment D to the Consent Decree and Settlement Agreement Regarding the Montana Sites) omits substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Montana Environmental Custodial Trust.



Galusha, Higgins & Galusha
August 2, 2013

Montana Environmental Custodial Trust
Custodial Trust Administrative Account
STATEMENT OF FINANCIAL POSITION

June 30, 2013

ASSETS

Current assets

Cash, First Interstate Bank	\$ 158,248.68
Due from other cost centers	1,135.77
Total current assets	<u>159,384.45</u>

Investments, JP Morgan Chase

Total assets	<u>7,081,187.67</u> <u><u>\$ 7,240,572.12</u></u>
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LIABILITIES AND NET ASSETS

Accounts payable	\$ 18,169.74
Due to other cost centers	-
	<u>18,169.74</u>

Net assets

Total net assets and liabilities	<u>7,222,402.38</u> <u><u>\$ 7,240,572.12</u></u>
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Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENT OF ACTIVITIES

For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
Interest income	\$ -	\$ -	\$ -	\$ -	0.00%
Investment income, net of fees and unrealized losses	(78,449.72)	(60,259.39)	-	(60,259.39)	100.00%
Total revenues (losses)	(78,449.72)	(60,259.39)	-	(60,259.39)	100.00%
Expenses:					
1.A Financial Affairs					
1.A.1 Galusha, Higgins & Galusha, PC	8,794.01	20,441.30	64,400.00	(43,958.70)	31.74%
1.C Property Taxes					
1.C.1 East Helena	4,335.37	4,335.37	65,335.00	(60,999.63)	6.64%
1.C.2 UBMC-Mike Horse	942.27	942.27	2,449.00	(1,506.73)	38.48%
1.C.3 Black Pine	2,922.16	2,922.16	7,313.00	(4,390.84)	39.96%
1.C.4 Iron Mountain	133.27	133.27	293.00	(159.73)	45.48%
1.C Property Taxes Total	8,333.07	8,333.07	75,390.00	(67,056.93)	11.05%
1.F Site Security					
1.F.1 East Helena	3,291.99	6,263.63	22,584.00	(16,320.37)	27.73%
1.F.2 UBMC-Mike Horse	-	38.91	11,944.00	(11,905.09)	0.33%
1.F.3 Black Pine	4,668.48	10,014.71	20,163.00	(10,148.29)	49.67%
1.F.4 Iron Mountain	-	-	-	-	0.00%
1.F Site Security Total	7,960.47	16,317.25	54,691.00	(38,373.75)	29.84%
1.G Insurance					
1.G.1 Commercial General Liability	-	46,237.50	46,238.00	(0.50)	100.00%
1.G.2 Vehicle-Equipment Insurance	3,587.00	4,061.00	9,546.00	(5,485.00)	42.54%
1.G.3 Property Insurance	25,605.89	25,605.89	28,748.00	(3,142.11)	89.07%
1.G Insurance Total	29,192.89	75,904.39	84,532.00	(8,627.61)	89.79%

Montana Environmental Custodial Trust
Custodial Trust Administrative Account

STATEMENT OF ACTIVITIES

For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
1.H Trust Legal Affairs					
1.H.1 Outside Council	692.03	1,604.03	2,250.00	(645.97)	71.29%
1.H.2 Records Segregation Costs	226.65	2,388.68	6,024.00	(3,635.32)	39.65%
1.H.3 GETG Professional Fees	-	1,068.75	4,950.00	(3,881.25)	0.00%
1.H.4 Water Rights	-	1,744.97	12,250.00	(10,505.03)	14.24%
1.H Trust Legal Affairs Total	918.68	6,806.43	25,474.00	(18,667.57)	26.72%
1.I Unpatented Mining Claim Maint.					
1.I.1 Fees for Unpatented Mining Claims	-	-	47,040.00	(47,040.00)	0.00%
1.K Property Sales					
1.K.1 East Helena	1,743.75	2,307.00	15,200.00	(12,893.00)	15.18%
1.L Trustee Costs					
1.L.1 Trustee Fees	8,606.25	27,337.50	33,450.00	(6,112.50)	81.73%
1.L.2 Trustee Expenses	-	-	9,000.00	(9,000.00)	0.00%
1.L Trustee Costs Total	8,606.25	27,337.50	42,450.00	(15,112.50)	64.40%
Total expenses	65,549.12	157,446.94	409,177.00	(251,730.06)	38.48%
Change in net assets	(143,998.84)	(217,706.33)	<u>\$ (409,177.00)</u>		
Net assets, beginning of period	7,366,401.22	7,440,108.71			
Net assets, end of period	<u>\$ 7,222,402.38</u>	<u>\$ 7,222,402.38</u>			

Montana Environmental Custodial Trust

East Helena Clean-up Account

STATEMENT OF FINANCIAL POSITION

June 30, 2013

ASSETS

Current assets

Cash, First Interstate Bank	\$ 380,367.65
Accounts receivable	-
Due from other cost centers	1,874.12
Total current assets	<u>382,241.77</u>

Investments, JP Morgan Chase

Total assets	<u>86,444,650.44</u>
	<u><u>\$ 86,826,892.21</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 2,017,890.66
Retention hold-back payable	64,402.76
Due to other cost centers	5,441.38
Total current liabilities	<u>2,087,734.80</u>

Net assets

Total net assets and liabilities	<u>84,739,157.41</u>
	<u><u>\$ 86,826,892.21</u></u>

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
2.RNT · Rental Income					
2.RNT.a · Commercial Tenants	\$ -	\$ -	\$ -	\$ -	0.00%
2.RNT.b · Agricultural Tenants	-	3,445.00	-	3,445.00	100.00%
2.RNT.c · Slag Pile	36,990.00	36,990.00	-	36,990.00	0.00%
2.RNT · Rental Income Total	36,990.00	40,435.00	-	40,435.00	100.00%
Investment income, net of fees and unrealized losses	(1,122,461.67)	67,733.33	-	67,733.33	100.00%
Total revenues (losses)	(1,085,471.67)	108,168.33	-	108,168.33	100.00%
Expenses:					
2.A · Water Treatment Plant					
2.A.1 · WTP O&M	42,411.43	84,737.67	174,758.00	(90,020.33)	48.49%
2.A.3 · WTP/NPDES Regulatory Compliance	-	-	11,988.00	(11,988.00)	0.00%
Total 2.A · Water Treatment Plant	42,411.43	84,737.67	186,746.00	(102,008.33)	45.38%
2.B · General Site Operations					
2.B.1 · Routine O&M	15,488.66	33,279.32	77,277.00	(43,997.68)	43.06%
2.B.2 · Office Operations	7,837.11	11,490.53	34,771.00	(23,280.47)	33.05%
2.B.3 · Safety	25,379.28	41,220.38	133,915.00	(92,694.62)	30.78%
2.B.5 · Non-Routine O&M	5,436.00	8,024.50	29,446.00	(21,421.50)	27.25%
2.B.6 · Emergency Response	-	-	20,000.00	(20,000.00)	0.00%
2.B.7 · Modular Offices	127.50	562.27	5,000.00	(4,437.73)	0.00%
Total 2.B · General Site Operations	54,268.55	94,577.00	300,409.00	(205,832.00)	31.48%
2.C · Waste Disposal					
2.C.1 · HDS	405.37	529.37	4,000.00	(3,470.63)	13.23%
2.C.2 · Contaminated Debris	220.00	251.00	13,400.00	(13,149.00)	1.87%
2.C.3 · Other	737.10	1,899.11	10,100.00	(8,200.89)	18.80%
Total 2.C · Waste Disposal	1,362.47	2,679.48	27,500.00	(24,820.52)	9.74%
2.D · Slag Pile Reprocessing	62.00	62.00	55,500.00	(55,438.00)	0.11%

Montana Environmental Custodial Trust
East Helena Clean-up Account
STATEMENT OF ACTIVITIES
For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
2.E · Tenants					
2.E.2 · Agricultural Tenants	4,838.50	4,838.50	8,500.00	(3,661.50)	56.92%
2.E.4 · Other	350.00	2,430.80	8,000.00	(5,569.20)	30.39%
Total 2.E · Tenants	5,188.50	7,269.30	16,500.00	(9,230.70)	44.06%
2.F · RCRA Compliance					
2.F.1 · Reporting	-	-	2,000.00	(2,000.00)	0.00%
2.F.2 · Inspections	1,953.00	2,759.00	10,000.00	(7,241.00)	27.59%
2.F.5 · CAMU O&M	2,280.99	3,768.99	10,000.00	(6,231.01)	37.69%
Total 2.F · RCRA Compliance	4,233.99	6,527.99	22,000.00	(15,472.01)	29.67%
2.I · Risk Assessment					
2.I.1 · HHRA	-	-	25,000.00	(25,000.00)	0.00%
2.I.2 · BERA	3,115.00	3,115.00	30,000.00	(26,885.00)	10.38%
Total 2.I · Risk Assessment	3,115.00	3,115.00	55,000.00	(51,885.00)	5.66%
2.J · Interim Measures					
2.J.1 · South Plant Hydraulic Control IM					
2.J.1a · SPHC IM Design	236,171.14	567,222.11	1,260,000.00	(692,777.89)	45.02%
2.J.1b · SPHC IM Construction	323,188.61	530,672.16	3,672,340.00	(3,141,667.84)	14.45%
2.J.1 · SPHC IM Design & Construction	559,359.75	1,097,894.27	4,932,340.00	(3,834,445.73)	22.26%
2.J.2 · ET Cover System IM					
2.J.2a · ET Cover IM Design	175,647.95	380,246.99	580,000.00	(199,753.01)	65.56%
2.J.2b · ET Cover IM Construction	1,173,876.05	1,342,415.40	3,721,585.00	(2,379,169.60)	36.07%
2.J.2 · ET Cover IM Design & Construction	1,349,524.00	1,722,662.39	4,301,585.00	(2,578,922.61)	40.05%
2.J.3 · Source Removal IM					
2.J.3a · Source Removal Design	13,650.45	58,309.68	275,000.00	(216,690.32)	21.20%
2.J.3b · Source Removal Construction	-	-	-	-	0.00%
2.J.3 · Source Removal Design & Construction	13,650.45	58,309.68	275,000.00	(216,690.32)	21.20%
2.J.4 · IM/RCRA Support	299,036.12	412,325.41	1,258,000.00	(845,674.59)	32.78%
2.J.5 · Design Management/Execution	207,443.58	472,914.38	2,051,000.00	(1,578,085.62)	23.06%
Total 2.J · Interim Measures	2,429,013.90	3,764,106.13	12,817,925.00	(9,053,818.87)	29.37%

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
2.K · Documents & Records					
2.K.1 · System Set-Up	-	-	33,500.00	(33,500.00)	0.00%
2.K.2 · System Maintenance	-	-	36,000.00	(36,000.00)	0.00%
Total 2.K · Documents & Records	-	-	69,500.00	(69,500.00)	0.00%
2.M · CERCLA Compliance	62.00	62.00	70,000.00	(69,938.00)	0.00%
2.N · Financial Affairs					
2.N.1 · Financial Affairs-CPA	19,074.58	39,007.72	90,000.00	(50,992.28)	43.34%
2.N.4 · Design/Construction Audit Service	-	-	60,000.00	(60,000.00)	0.00%
Total 2.N · Financial Affairs	19,074.58	39,007.72	150,000.00	(110,992.28)	26.01%
2.O · Redevelopment					
2.O.1 · Redevelopment Plans & Studies	-	-	80,000.00	(80,000.00)	0.00%
2.O.2 · Redevelopment Support	2,805.25	2,805.25	5,000.00	(2,194.75)	56.11%
Total 2.O · Redevelopment	2,805.25	2,805.25	85,000.00	(82,194.75)	3.30%
2.P · Community Relations					
2.P.1 · General Meetings	-	-	10,000.00	(10,000.00)	0.00%
2.P.2 · RCRA Annual Public Meeting	-	-	4,000.00	(4,000.00)	0.00%
2.P.3 · East Helena Website	412.50	412.50	15,000.00	(14,587.50)	2.75%
2.P.4 · Community Involvement/Relations	-	-	75,000.00	(75,000.00)	0.00%
2.P.5 · New Signage	77.50	77.50	9,500.00	(9,422.50)	0.82%
Total 2.P · Community Relations	490.00	490.00	113,500.00	(113,010.00)	0.43%
2.R · Legal Support					
2.R.1 · Outside Counsel Fees & Expenses	15,361.98	29,315.25	84,000.00	(54,684.75)	34.90%
2.R.2 · In-House Legal Services	7,425.00	16,987.50	56,250.00	(39,262.50)	30.20%
Total 2.R · Legal Support Total	22,786.98	46,302.75	140,250.00	(93,947.25)	33.01%

Montana Environmental Custodial Trust
East Helena Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
2.T · Trustee Management & Support					
2.T.4 · RCRA PM	76,050.00	166,687.50	349,440.00	(182,752.50)	47.70%
2.T.5 · Administrative Staff	-	-	-	-	0.00%
2.T.6 · Compliance Manager	4,576.50	8,093.19	80,000.00	(71,906.81)	10.12%
2.T.7 · Operations Manager	40,097.75	71,937.25	92,400.00	(20,462.75)	77.85%
2.T.8 · Support Staff	15,674.08	30,132.64	121,000.00	(90,867.36)	24.90%
2.T.9 · Project Controls Manager	13,070.40	21,485.80	150,000.00	(128,514.20)	14.32%
2.T.10 · Construction Mgmt Support/Inspection	-	-	-	-	0.00%
2.T.11 · Trustee Mgmt EH Clean Up	160,410.00	243,660.00	397,800.00	(154,140.00)	61.25%
2.T.12 · Trustee Land Use & Re-use	2,137.50	2,643.75	70,200.00	(67,556.25)	3.77%
2.T.13 · Trustee Travel and Directs	1,166.05	1,166.05	20,000.00	(18,833.95)	5.83%
Total 2.T · Trustee Management & Support Total	313,182.28	545,806.18	1,280,840.00	(735,033.82)	42.61%
Total expenses	2,898,056.93	4,597,548.47	15,390,670.00	(10,793,121.53)	29.87%
Change in net assets	(3,983,528.60)	(4,489,380.14)	(15,390,670.00)		
Net assets, beginning of period	88,722,686.01	89,228,537.55			
Net assets, end of period	\$ 84,739,157.41	\$ 84,739,157.41			

Montana Environmental Custodial Trust
East Helena Clean-up Account
SUMMARY STATEMENT OF ACTIVITIES
For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
2.RNT · Rental Income	\$ 36,990.00	\$ 40,435.00	\$ -	\$ 40,435.00	100.00%
Investment income, net of fees and unrealized losses	(1,122,461.67)	67,733.33	-	67,733.33	100.00%
Total revenues (losses)	(1,085,471.67)	108,168.33	-	108,168.33	100.00%
Expenses:					
2.A · Water Treatment Plant	42,411.43	84,737.67	186,746.00	(102,008.33)	45.38%
2.B · General Site Operations	54,268.55	94,577.00	300,409.00	(205,832.00)	31.48%
2.C · Waste Disposal	1,362.47	2,679.48	27,500.00	(24,820.52)	9.74%
2.D · Slag Pile Reprocessing	62.00	62.00	55,500.00	(55,438.00)	0.11%
2.E · Tenants	5,188.50	7,269.30	16,500.00	(9,230.70)	44.06%
2.F · RCRA Compliance	4,233.99	6,527.99	22,000.00	(15,472.01)	29.67%
2.I · Risk Assessment	3,115.00	3,115.00	55,000.00	(51,885.00)	5.66%
2.J · Interim Measures	2,429,013.90	3,764,106.13	12,817,925.00	(9,053,818.87)	29.37%
2.K · Documents & Records	-	-	69,500.00	(69,500.00)	0.00%
2.M · CERCLA Compliance	62.00	62.00	70,000.00	(69,938.00)	0.09%
2.N · Financial Affairs	19,074.58	39,007.72	150,000.00	(110,992.28)	26.01%
2.O · Redevelopment	2,805.25	2,805.25	85,000.00	(82,194.75)	3.30%
2.P · Community Relations	490.00	490.00	113,500.00	(113,010.00)	0.43%
2.R · Legal Support	22,786.98	46,302.75	140,250.00	(93,947.25)	33.01%
2.T · Trustee Management & Staff	313,182.28	545,806.18	1,280,840.00	(735,033.82)	42.61%
Total expenses	2,898,056.93	4,597,548.47	15,390,670.00	(10,793,121.53)	29.87%
Change in net assets	(3,983,528.60)	(4,489,380.14)	(\$15,390,670.00)	\$10,901,289.86	29.17%
Net assets, beginning of period	88,722,686.01	89,228,537.55			
Net assets, end of period	\$ 84,739,157.41	\$ 84,739,157.41			

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF FINANCIAL POSITION

June 30, 2013

ASSETS

Current assets

Cash, First Interstate Bank	\$ 146,800.83
Prepaid expenses - DEQ	25,513.83
Due from other cost centers	<u>4,598.75</u>
Total current assets	176,913.41

Investments, JP Morgan Chase

Total assets	<u>6,840,778.26</u> <u><u>\$ 7,017,691.67</u></u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 12,440.17
Due to other cost centers	<u>-</u>
Total current liabilities	12,440.17

Net assets

Total net assets and liabilities	<u>7,005,251.50</u> <u><u>\$ 7,017,691.67</u></u>
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Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
Interest income - DEQ	\$ 20.96	\$ 43.01	\$ -	\$ 43.01	100.00%
Investment income, net of fees and unrealized losses	(88,905.33)	(75,883.22)	-	(75,883.22)	100.00%
Total revenues (losses)	(88,884.37)	(75,840.21)	-	(75,840.21)	100.00%
Expenses:					
4.1 MT DEQ Expenses					
4.A Personnel (MT DEQ)	5,024.06	10,298.14	30,944.00	(20,645.86)	33.28%
4.DEQ Direct & Indirect Expenses	1,559.43	2,722.26	8,803.00	(6,080.74)	30.92%
4.1 Total MT DEQ Expenses	6,583.49	13,020.40	39,747.00	(26,726.60)	32.76%
4.2 Other Expenses					
4.B Material, Supplies & Chemicals					
1-62244 Chemicals	27,471.17	29,879.57	67,500.00	(37,620.43)	44.27%
WTP Supplies	5,708.93	20,335.62	32,050.00	(11,714.38)	63.45%
4.B Material, Supplies & Chemicals	33,180.10	50,215.19	99,550.00	(49,334.81)	50.44%
4.C Operating Labor					
1-62102-01 WTS/Trust Management and Oversight	7,288.75	20,849.50	56,056.00	(35,206.50)	37.19%
1-62102-02 GETG Trustee Oversight	843.75	6,131.25	22,500.00	(16,368.75)	27.25%
1-62102-12 Technical Advisory Services (CDM)	-	-	7,900.00	(7,900.00)	0.00%
1-62102-22 WTP Technician/Operator	29,393.73	58,792.61	101,800.00	(43,007.39)	57.75%
1-62102-28 Operational Trouble-shoot & Support	-	-	3,250.00	(3,250.00)	0.00%
4.C Operating Labor	37,526.23	85,773.36	191,506.00	(105,732.64)	44.79%
4.D Other Professional Services/Labor (Routine)					
1-62102-31 PLC & Instrumentation Service (MET)	-	1,517.50	13,250.00	(11,732.50)	11.45%
1-62102-41 Storm Water Regulatory Compliance	-	-	4,100.00	(4,100.00)	0.00%
1-62102-204 Health & Safety Compliance	-	962.73	2,000.00	(1,037.27)	48.14%
1-62891 Handyman Charges	-	3,215.12	7,500.00	(4,284.88)	42.87%
1-62102-51 GHG Accounting	5,034.29	9,025.24	18,000.00	(8,974.76)	50.14%
1-62243 Weed Control	-	-	1,200.00	(1,200.00)	0.00%
4.D Other Professional Services/Labor	5,034.29	14,720.59	46,050.00	(31,329.41)	31.97%

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
4.E WTP Operations - Analytical (Routine)					
1-62106-01 Energy Lab Testing (O&M Samples)	2,562.00	4,483.50	16,500.00	(12,016.50)	27.17%
1-62106-02 Linda Tangen Data Validation (O&M)	-	521.38	5,000.00	(4,478.62)	10.43%
1-62106-03 Energy Lab Testing (Repositories)	-	269.50	3,300.00	(3,030.50)	8.17%
4.E WTP Operations - Analytical	2,562.00	5,274.38	24,800.00	(19,525.62)	21.27%
4.F WTP Operations - Utilities (Routine)					
1-62186 Waste Disposal	2,040.11	2,040.11	8,600.00	(6,559.89)	23.72%
1-62371 Telephone	780.51	1,736.74	5,580.00	(3,843.26)	31.12%
1-62601 Electricity	13,664.76	22,232.38	49,300.00	(27,067.62)	45.10%
1-62605 Water & Sewage	325.63	671.26	3,460.00	(2,788.74)	19.40%
1-62606 Garbage & Trash	191.56	454.82	1,800.00	(1,345.18)	25.27%
1-62607 Propane	2,489.00	6,447.50	18,700.00	(12,252.50)	34.48%
4.F WTP Operations - Utilities	19,491.57	33,582.81	87,440.00	(53,857.19)	38.41%
4.H Projects & Construction					
1-63100-01 Repair 200 ft. Mike Horse Adit	-	-	30,000.00	(30,000.00)	0.00%
1-63113-03 Spare Parts	11,574.64	17,361.95	25,000.00	(7,638.05)	69.45%
1-63113-04 Concrete Floor Under Building Awning	-	-	4,500.00	(4,500.00)	0.00%
1-63113-11 Backup Generator for Upper Site	-	-	9,500.00	(9,500.00)	0.00%
1-63113-12 Purchase/Program HMI PLC Workstation	2,748.75	2,748.75	4,000.00	(1,251.25)	68.72%
1-63113-13 Purchase/Program Standalone Alarm Dialer	5,500.00	5,500.00	7,800.00	(2,300.00)	70.51%
1-63113-14 Replace Atlas Copco Air Compressor	-	-	8,500.00	(8,500.00)	0.00%
1-63113-15 Install Filtrate Flow Meters - CMF	-	-	30,000.00	(30,000.00)	0.00%
1-63113-16 Install Holding Tank for Sludge Tank Decant	10,373.57	45,252.06	17,500.00	27,752.06	258.58%
1-63113-17 Purchase/Install 500 Gallon Acid Storage Tanks	-	-	10,500.00	(10,500.00)	0.00%
1-63113-18 Relocate Field Test Lab	-	-	5,500.00	(5,500.00)	0.00%
1-63113-19 Modify WTP for Intermittent Seasonal Op	-	3,502.61	12,000.00	(8,497.39)	29.19%
1-63113-20 Finalize O&M Manual	-	-	17,180.00	(17,180.00)	0.00%
1-63113-21 Purchase Software/Program PLC Data Capture	-	-	13,000.00	(13,000.00)	0.00%
1-63113-22 Automate CIP Cleaning	-	-	34,000.00	(34,000.00)	0.00%
1-63113-23 Install Wall & Extend Mezzanine	-	1,348.00	8,000.00	(6,652.00)	16.85%
1-62102-231 HVAC/Lighting Modification	-	368.44	95,000.00	(94,631.56)	0.39%
1-62102-233 Building Repairs (Corrosion Damage)	-	-	9,000.00	(9,000.00)	0.00%
1-62102-42 Water Balance Study (Hydrometrics)	-	210.00	10,000.00	(9,790.00)	2.10%
1-62102-42 Storm Water Maintenance/Upgrades	3,423.00	3,423.00	8,700.00	(5,277.00)	39.34%
1-62102-204 Update and Implement WTP HASP	-	-	10,000.00	(10,000.00)	0.00%
1-62102-41 Storm Water Pollution Prevention Plan	3,988.02	5,970.77	7,500.00	(1,529.23)	79.61%
4.H Projects & Construction	37,607.98	85,685.58	377,180.00	(291,494.42)	22.72%

Montana Environmental Custodial Trust
Mike Horse/UBMC Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
4.I Set-Aside for Operation Issues/Upsets (Non-Routine)					
1-62102-121 Unforeseen Emergency Response Funds	-	-	50,000.00	(50,000.00)	0.00%
1-63113-301 Low Density Sludge	-	-	28,000.00	(28,000.00)	0.00%
1-63113-302 Sludge TCLP Fails for Cadmium	-	-	36,000.00	(36,000.00)	0.00%
1-63113-303 Effluent Dissolved Oxygen (> 8.0 mg/l)	-	-	12,000.00	(12,000.00)	0.00%
4.I Set-Aside for Operation Issues/Upsets	-	-	126,000.00	(126,000.00)	0.00%
4.2 Total Other Expenses	135,402.17	275,251.91	952,526.00	(677,274.09)	28.90%
Total expenses	141,985.66	288,272.31	992,273.00	(704,000.69)	29.05%
Change in net assets	(230,870.03)	(364,112.52)	(992,273.00)	628,160.48	36.69%
Net assets, beginning of period	7,236,121.53	7,369,364.02			
Net assets, end of period	<u>\$ 7,005,251.50</u>	<u>\$ 7,005,251.50</u>			

Montana Environmental Custodial Trust

Black Pine Clean-up Account

STATEMENT OF FINANCIAL POSITION

June 30, 2013

ASSETS

Current assets

Cash, First Interstate Bank	\$ 28,826.96
Money Market	165,465.41
Prepaid expenses - DEQ	495,182.28
Total current assets	<u>689,474.65</u>

Investments, JP Morgan Chase

16,179,111.40
<u>\$ 16,868,586.05</u>

Total assets

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 2,420.09
Due to other cost centers	-
Total current liabilities	<u>2,420.09</u>

Net assets

16,866,165.96
<u>\$ 16,868,586.05</u>

Total net assets and liabilities

Montana Environmental Custodial Trust
Black Pine Clean-up Account

STATEMENT OF ACTIVITIES

For the quarter and year ending June 30, 2013

	2nd QTR	YTD	Annual Budget	Variance	Percentage of Budget
Revenues:					
Interest Income - DEQ	\$ 268.99	\$ 408.62	\$ -	\$ 408.62	100.00%
Interest Income - MM	47.13	93.04	-	93.04	100.00%
Investment income, net of fees and unrealized losses	(190,100.19)	(149,194.90)	-	(149,194.90)	100.00%
Total revenues (losses)	(189,784.07)	(148,693.24)	-	(148,693.24)	0.00%
Expenses:					
5.1 Costs Paid Directly by Trustee from Clean-up Account					
2-2-01 Trustee Services/Expenses-Cox		-	1,000.00	(1,000.00)	0.00%
2-2-02 Trustee Services/Expenses-Marc	188.00	903.00	5,000.00	(4,097.00)	18.06%
2-2-03 Mine Maintenance/Security	4,231.50	8,463.00	16,926.00	(8,463.00)	50.00%
2-2-04 Generator Maintenance	1,610.92	1,610.92	2,000.00	(389.08)	80.55%
2-2-51 Accounting Services	1,548.26	3,055.40	11,000.00	(7,944.60)	27.78%
2-62401 Mileage	384.48	816.71	2,330.00	(1,513.29)	35.05%
2-62405 Snowmobile	52.50	735.00	908.00	(173.00)	80.95%
5.1.1 Utilities					
2-62601 Electricity	1,598.88	3,272.17	7,500.00	(4,227.83)	43.63%
2-62607 Propane	-	-	2,840.00	(2,840.00)	0.00%
5.1.1 Utilities Total	1,598.88	3,272.17	10,340.00	(7,067.83)	31.65%
5.1.2 Permits					
2-62823-01 Operating Permit (#00063)	-	100.00	100.00	-	100.00%
2-62823-02 Storm Water (#MTR300080)	-	1,125.00	1,125.00	-	100.00%
2-62823-03 Air Quality (#1630)	-	-	825.00	(825.00)	0.00%
5.1.2 Permits Total	-	1,225.00	2,050.00	(825.00)	59.76%
5.1 Trustee Costs Total	9,614.54	20,081.20	51,554.00	(31,472.80)	38.95%
5.2 DEQ Costs	101,714.13	286,816.41	1,539,236.00	(1,252,419.59)	18.63%
Total expenses	111,328.67	306,897.61	1,590,790.00	(1,283,892.39)	19.29%
Change in net assets	(301,112.74)	(455,590.85)	\$ (1,590,790.00)	\$ 1,135,199.15	28.64%
Net assets, beginning of period	17,167,278.70	17,321,756.81			
Net assets, end of period	\$ 16,866,165.96	\$ 16,866,165.96			